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CLARK COUNTY
WASHINGTON

MEMORANDUM

TO: Clark County Board of County Commissioners
Clark County Planning Commission

FROM: Patrick Lee, Long Range Planning Manager

DATE: June 12, 2003

SUBJECT: Preferred Alternative Decision-Making Process

CASE NUMBER: CPT 99-003, Comprehensive Plan Review

Where we are in the Comprehensive Plan Review Process

The joint Board of County Commissioners, County Planning Commission work sessions scheduled for June 12 and June 19 and the June 23 public hearing before the Board of County Commissioners (BOCC) mark the beginning of the final decision-making process for the comprehensive plan review. Once direction on the preferred alternative is received from the Board, staff will develop a map reflecting the direction and begin the process of developing a capital facilities plan that supports the preferred land use alternative. The Land Use, Transportation and Capital Facilities Elements of the comprehensive plan will be revised and responses to comments on the Draft Environmental Impact Statement (EIS) prepared for inclusion in the Final EIS. Proposed comprehensive plan map and text changes, and supporting revisions to the Clark County Code will be the subject of Planning Commission hearings once this work is completed. The Planning Commission is tentatively scheduled to begin hearings in September and make formal recommendations to the BOCC in October. Final BOCC action is anticipated before the end of 2003.

Background

The review of the Plan began in 1999. Initially anticipated as a five-year review of policies, the decision was made in 2001 to complete a ten-year update including new analysis of existing capacity for urban growth, new forecast of population and employment, development of an EIS and a comparative fiscal analysis of land use alternatives. Because of the magnitude of this protracted undertaking, this report will not attempt to chronicle the history of the project to date. Significant milestones include:

1999

- Beginning of review, formation of GMA Steering Committee.

2000

- Review/validation of Framework Plan. Key policy issues articulated
- Small group meetings held with stakeholders to identify issues of concern
- Public involvement plan developed.
- Plan Monitoring Report 1995-1999 published

- Further scoping of project via a series of “Citizen Speak” meetings.

2001

- Preliminary population forecast range received from State Office of Financial Management. Selected population forecast from within the range must be used for plan update.
- Planning Commissioners and Board of County Commissioners provide initial direction on key policies and planning assumptions. Assumptions are used to build land use alternatives.
- Consultant contract executed to develop EIS and capital facilities analysis

2002

- Public meetings held to identify potential land use alternatives and scope the EIS
- CREDC Economic Development Strategic Plan submitted to BOCC
- GMA Section 215 Plan Monitoring Report submitted to State Office of Community Trade and Economic Development
- Five Land Use Plan Alternatives developed and reviewed in a series of public meetings
- Revisions to several elements of the comprehensive plan text reviewed in BOCC work session

2003

- Draft Environmental Impact Statement completed and circulated for public comment
- Focused Public Investment Plan Infrastructure Cost Report published
- BOCC and stakeholder review of CREDC Economic Development Strategic Plan completed.
- Revisions to Economic Development Element of comprehensive plan reviewed in BOCC work session. Accompanying Clark County Economic Strategy and Action Plan also reviewed in BOCC work session
- Draft Matrix analyzing five alternatives relative to eight policy criteria prepared by county staff and discussed at Steering Committee
- Revenue Perspective published
- Summary of comments on the Draft EIS prepared

For additional information the public involvement process through May 2001 was documented in a summary three ring binder. A brief update was included in the DEIS. Additional open houses to educate people about the preferred alternative are scheduled for August. The three ring binder will be updated with a summary of public involvement activities since May 2001 prior to the beginning of Planning Commission hearings in September.

Summary of Legal Requirements

Several sections of state law, the Clark County Comprehensive Growth Management Plan and County Code articulate requirements for comprehensive plan review. Following is a very brief summary.

1. State Law

- a) RCW 36.70A.130(1) calls for a five-year review of the comprehensive plan. Review for maintaining consistency of the plan with major changes in law (such as adoption of RCW 36.70 A 215), changes in circumstance (such as the ESA listing for several species of salmonids) are the primary substantive requirements.
- b) RCW 36.70A.130(3) requires that urban growth boundaries (ugbs) must be reviewed every ten years and revised, if necessary to accommodate the urban growth expected

over the succeeding 20-year period. Growth must fall within the population ranges prescribed by the State Office of Financial Management (OFM).

- c) RCW 36.70A.215 requires counties operating under the provisions of the State Growth Management Act to evaluate how development since adoption of comprehensive plans has proceeded consistent with assumptions, including development density, on which the plan was premised. Clark County submitted the required "Buildable Lands Report" to the State office of Community Trade and Economic Development as required prior to September 1, 2002. Reasonable measures were identified by the County and each city within the county to achieve greater consistency with original density goals/policies. Countywide planning policies were also proposed to reflect revised housing mix and density goals for jurisdictions as discussed by the GMA Steering Committee.

2. Clark County Policy and Regulations

- a) Chapter 12 of the Clark County Comprehensive Growth Management Plan discusses procedures for actions including designation of new urban growth areas. Existing policy requires that urban growth boundaries only be expanded into urban reserve areas. This policy may need to be revised subsequent to BOCC direction on the preferred alternative. Specific changes would be proposed prior to Planning Commission hearings in the Fall.
- b) CCC18.610.070, .080, .110 and .120 lists criteria that must be met for various types of land use map and text changes, all of which could be triggered by direction on the preferred alternative. Specifically, there is a conflict between the requirements of RCW 36.70A.130(3) which requires re-sizing of urban growth boundaries every ten years and CCC 18.610.110 which only allows urban growth boundary expansion if vacant buildable land absorption triggers are met (i.e the initial vacant buildable land inventory is built upon). The percent developed triggers are 75% of the vacant buildable residential land inventory, 75% of the commercial land inventory and 50% of the industrial land inventory.

Decision Factors/Policy Discussion

Following is a short list of decision factors that will be strong determinants of the preferred land use plan.

1. Fulfill legal requirements of five and ten-year reviews
2. Validate or revise planning assumptions used to calculate urban land need
3. Prioritize economic development as the number 1 policy priority.
4. Pursue a focused public investment strategy
5. Accommodate only a "fair-share" of the forecast population growth within the larger Vancouver/Portland metropolitan region
6. Realistically assess "affordable levels of service" for hard concurrency issues
7. Consider tax-base equity among taxing jurisdictions when allocating population and employment growth.
8. Consider market forces when allocating population and employment growth to cities.

Staff has gleaned this list from information contained in the resource materials developed for the comprehensive plan review, the public involvement program, comments on the DEIS, discussions at BOCC and Planning Commission work sessions and GMA Steering Committee and Technical Advisory Committee meetings. Staff recommends that policy discussion be structured around these factors.

Staff will be prepared to walk the Planning Commission and Board of County Commissioners through these issues at the joint work sessions. Following is a brief summary of policy issues relating to each decision factor.

1. Fulfill legal requirements of five and ten-year reviews.
 - a) Select population forecast from within the OFM range. Annual average growth rates in the OFM forecast are: Medium - 1.95%, Low – 1.36%, High – 2.52%. OFM considers the Medium forecast the most probable. Prior BOCC direction was to use a 1.5% rate to be consistent with Metro's forecast of regional population growth in the four county Portland/Vancouver metropolitan region. Selection anywhere within the range is a policy option. Please see the discussion on page 6, number 4, of this report. Since the BOCC provided policy direction, Metro has raised the forecast of population growth in the region to a 1.58% rate.
 - b) Specific changes can be reviewed later in the year, but staff should be generally directed to revise any County policies and Code needed to enable implementation of the preferred alternative.
2. Validate or revise planning assumptions used to calculate urban land need
 - a) In addition to the population growth rate, sizing of urban growth boundaries is extremely sensitive to planning assumptions. Based on information contained within the "1995-2000 Plan Monitoring Report," the "2002 Buildable Lands Report", and US Census data, staff believes that many planning assumptions have the cumulative effect of greatly over-sizing urban growth boundaries to accommodate forecast growth. Key assumptions to discuss include:
 - 1) whether or not to continue use of the market factor which inflates urban land supply by 25% to 50%
 - 2) infrastructure set aside – current assumption is 38%. Observed is 27.5%
 - 3) critical land development – current assumption is 5%. Observed is 10%
 - 4) persons per household – current assumed weighted average taking into account proposed 75%/25% attached/detached housing split is 2.43 persons per household. US Census reports average household size in Clark County is 2.69 persons per household.
 - 5) Employment density – assumed industrial 9 employees per net buildable industrial acre and 12 employees per commercial acre. Observed is 10 employees per net buildable industrial acre and 22 employees per commercial acre.
 - b) Capital facilities could be undersized where true development potential based on zoning exceeds the control totals used to size urban growth boundaries.. Assumptions are applied on a "county-wide" basis for urban areas. Subareas within uga's may develop at a faster rate and at higher densities/intensities of development than the "county-wide" assumptions, while still being within the ranges allowed by comprehensive plan and zoning designations. To guard against under-sizing of facilities, the capital facilities analysis in the DEIS utilized effective population and employment potential rather than the ugb sizing control totals. Following is a comparison of "control" and "effective" totals utilized:

Alternative	Control Total Population (Based on 2001 Year End)	Effective Population ("Build Out")	Percent Difference
1	530,962	623,805	17.5%
2	486,225	558,990	15.0%
3	486,225	520,982	7.1%
4	486,225	533,458	9.7%
5	486,225	559,152	15.0%

Alternative	"Control" Total Employment (Growth Based on 2001 Year End)	Effective Employment (Growth to "Build Out")	Percent Difference
1	54,882	80,872	47.4%
2	44,615	70,950	59.0%
3	44,615	90,017	101.8%
4	70,000	94,041	34.3%
5	70,000	94,577	35.1%

- c) Staff believes it would be desirable to more closely align "control" and "effective" totals. Directions on development assumptions will allow staff to calculate final quantified gross acres of urban land needed and allocate to urban growth areas.
3. Prioritize economic development as the number 1 policy priority.
 - a) Employment control totals used for the comprehensive plan are a matter of local prerogative, unlike population control totals that must fall within the OFM range. They must be credible, however. Job control totals incorporated in the land use alternatives are credible based on historic job creation and reasonable estimates of the range of job creation that could be expected over the next 20-years based on experience in the metropolitan region.
 - b) The Washington Office of Employment Security reports that between 1990 and 2000, 37,000 jobs were created in Clark County that contributed to the state workmans' compensation fund (i.e. "covered" employees). The Bureau of Economic Analysis reports that 51,039 jobs were created in Clark County during that same period. These estimates include "non-covered" employment such as the self-employed, jobs compensated on a commission as opposed to wage/salary basis and various home-based businesses.
 - c) The existing industrial and commercial urban land supply is adequate to support the control total for employment in any of the alternatives. However, there may be locational or strategic reasons to look at a limited amount of expansion in order to position the county to be more competitive, if economic development is a policy priority. Some of these factors are listed in page 7, section 8 of this report.

- d) CREDC has identified a list of target industries in their economic development strategic plan that may provide a high percentage of family wage jobs. They also suggest pursuing a “cluster” strategy to grow existing businesses and recruit new ones. Land supply is only one factor in successful economic development. More information is contained in the Economic Development Element and Clark County Economic Strategy and Action Plan enclosed with this staff report.
 - e) Once direction is provided on job control totals, locational and strategic factors, including direction pertaining to a focused public investment strategy described in section 4 below, a revised land use map, and employment allocation among uses will be completed.
4. Pursue a focused public investment strategy
- a) Existing revenue streams may not be sufficient to keep up with demands for public services. In the past, Clark County and other jurisdictions have dispersed capital improvement expenditures throughout the county, providing partial solutions in many areas, but not complete solutions within priority areas.
 - b) Experience in other communities shows that the market responds well to “shovel-ready” sites at which development can begin as soon as plans and approvals are completed. This is a concept embraced in the CREDC strategic plan and reflected in the proposed Economic Development Element and Action Plan.
 - c) Building off the industrial nodes concept of the 1994 Plan, seventeen “Focused Public Investment Areas” (FPIAs) have been identified as potential nuclei for economic development during this comprehensive plan review. The “Focused Public Investment Plan Infrastructure Cost Report” transmitted with this staff report identifies job creation potential in each and the cost of providing key services to achieve “shovel-readiness.” Key services addressed include: sewer, water, stormwater and environmental impacts, transportation, fire protection and emergency services, and electricity.
 - d) Full build-out of all areas will take many years, but elected officials will determine the timing for improvements. Staff is seeking direction on two or three priority areas that best support economic development goals and for which short-term infrastructure investments may be programmed through funding mechanisms such as the six-year transportation improvement program
5. Accommodate only a “fair-share” of the forecast population growth within the larger Portland/Vancouver metropolitan region.
- a) Clark County’s historic development pattern has resulted in disproportionate jobs to population growth within the Portland/Vancouver metropolitan region. The BOCC made a conscious policy decision to try to reverse this trend when directing staff to utilize a 1.5% growth rate to develop land use alternatives for the comprehensive plan review.
 - b) The five land use alternatives are premised upon the following ratios of jobs to population growth for the 20 year planning horizon: Alternative 1- 1 new job for every 2.53 new people. Alternative 2- 1:2.3. Alternative 3 – 1:2.3. Alternative 4 – 1:1.5. Alternative 5 – 1:1.5
 - c) As a comparison, current jobs to population ratio is 1 job for every 2.9 persons.
 - d) When discussing the growth rate to be reflected in the preferred alternative, policy makers should validate or revise this policy choice.
6. Realistically assess “affordable levels of service” for hard concurrency issues
- a) Given tax limitations and prevailing sentiment among voters, there may very well be insufficient revenues for service providers to maintain existing levels of service while accommodating forecast population and employment growth.

- b) The DEIS contains planning cost estimates to support urban growth areas in the five alternatives with transportation, water and sewer services. Although there can be resistance to rate increases, water and sewer services are typically funded as utilities and, therefore, levels of service changes may not be an immediate issue. However, transportation revenue short falls, such as those currently experienced on the State highway system, can definitely result in lowered levels of service for users.
 - c) The Focused Public Investment Plan Infrastructure Cost Report provides cost estimates to serve the seventeen potential employment nodes with an expanded list of services.
 - d) The Revenue Perspective was developed based on the effective capacity of lands designated for urban growth under the five land use alternatives. Estimates were prepared for both the revenue available for transportation capital improvements and receipts to the County's general fund.
 - e) The revenues estimated need to be compared with costs to reach a conclusion regarding the relative affordability of the five alternatives. While staff will attempt to address this issue in a little more detail in the joint work sessions, it may not be possible to identify level of service trade-offs until after selection of the preferred alternative. There is a wide variation in assumptions and resulting capital demands among alternatives.
7. Consider tax-base equity among taxing jurisdictions when allocating population and employment growth.
- a) Cities have proposed their own land use preferences. Brief summaries are included in the Summary of Comments on the DEIS enclosed with this staff report.
 - b) School districts are also concerned about the impacts of the land use alternatives on school enrollments and school construction demands. A brief summary of the Consortium of School Districts comment is included in the Summary of Comments on the DEIS.
8. Consider market forces when allocating population and employment growth to cities
- a) In discussions at the GMA Steering Committee cities have indicated a desire to accommodate a fair share of the forecast population growth, provided sufficient employment lands are also designated to allow provision of urban services.
 - b) However, market factors may also be influential in determining whether lands, although zoned for employment uses, are actually attractive for businesses to locate. CREDC has suggested the following factors are important for businesses to evaluate before selecting a site to expand in Clark County, or to start-up here or re-locate from other counties and regions
 - 1) Distance to the interstate highway system
 - 2) Access to major highways and arterials
 - 3) Cost and availability of shovel-ready sites
 - 4) Proximity of similar type industries/facilities
 - 5) Parcel size
 - 6) Time to occupancy
 - 7) Environmental constraints to development
 - 8) Supportive of strategic initiatives and target industries

Meeting Structure

This staff report was constructed to organize the preferred alternative policy discussion pertaining to the comprehensive plan review for both the joint BOCC/PC work sessions and also for the BOCC public hearing on June 23. Most of the enclosed materials have been reviewed in work session by the BOCC. However, the Planning Commission has only reviewed the DEIS in work session. Recognizing the volume of materials transmitted for the joint work sessions and the late mail-out, staff is prepared to provide synopses of the resource materials during the staff presentation on June 12. Synopses of germane resource materials may be most effectively presented as the discussion of each decision factor unfolds. If the bodies meeting in joint session are comfortable with the issues and materials, staff is more than willing to dispense with synopses of materials.

Enclosures:

- Memorandum re: Criteria for Selecting a Preferred Alternative (Draft Matrix and Criteria Response Narrative)
- Summary of Comments to the Draft Environmental Impact Statement (Note: A separate three ring binder including copies of the actual comments will be provided at the June 12 meeting)
- Draft Economic Development Element (includes the Draft Clark County Strategy and Action Plan)
- Focused Public Investment Plan Infrastructure Cost Report
- Revenue Perspective

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